Companies Act the directions issued under Sections 637A of the Companies Act, 1956 issued vide Department of Company Affairs Notification No. GSR 773(E) dated 4th December, 1995. Suitable action as warranted under law is being taken against these companies.

(f) A view in the matter will be taken after the review of the working of Nidhi companies has been completed.

Suggestion made by PHDCCI to Boost Exports

*325. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received any request from Punjab, Haryana and Delhi Chamber of Commerce and Industry for reviewing the loan facility provided by the Government to the exporter during the last three years to ensure the achievements of export targets;

(b) if so, the details thereof;

(c) whether the Government have formulated any scheme to achieve the targets fixed for exports during the above period;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. In a Note submitted recently to the Ministry of Commerce, the Punjab, Haryana and Delhi Chamber of Commerce and Industry (PHDCCI) has, inter alia, made certain suggestions regarding credit facilities to the exporters. These include revision of the target for export credit as a percentage of net bank credit, reduction of interest rates for export credit, further review of rate of interest beyond 90 days and upto 180 days, review of interest rates on overdue bills, review of methods of lending to export sector, and some procedural aspects relating to export credit.

(c) to (e). Export promotion is a continuous activity undertaken by the Ministry of Commerce and is based on interaction with industry, trade and other export promotion institutions. The measures to achieve targets fixed for exports are initiated through policy and promotional schemes which include simplification of export and import policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation and efforts to actively involve State Governments in export promotion.

In so far as export credit is concerned, banks have been advised from time to time by the Reserve Bank of India (RBI) to ensure that exporters' credit needs are met in full and promptly. Exporter can avail of rupee packing credit at 13 per cent upto 180 days and at 15 per cent for period beyond 180 days and upto 270 days. In the monetary policy for second half of 1996-97, the interest rate on post-shipment rupee credit has been further rationalised. Rupee post-shipment credit is available at 13 per cent upto 90 days and at 15 per cent for period beyond 90 days and upto six months from the date of shipment. For ensuring smooth flow of credit to export sector, instructions have been issued by RBI to banks to ensure that :

(i) no worthwhile export order suffers for want of finance;

(ii) grievances of exporter-borrowers in the matter of timely and adequate sanction of credit limits are redressed promptly;

(iii) sanction of fresh/enhanced limits/renewal of limits is made within the period stipulated where application is received with complete details and cases of rejection of export credit proposals are brought to the notice of Chief Executives explaining reasons for rejection.

(iv) export credit target of 12.0 per cent (enhanced from 10.0 per cent under the monetary policy for second half of 1996-97) to net bank credit is achieved by 31st March, 1997.

[Translation]

Rebate on Khadi and Polyster

*326. SHRI NAND KUMAR SAI : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have withdrawn the system of rebate which was allowed on the selling prices of Khadi and Polyster;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Government propose to introduce a new system of market development assistance under which the benefit is likely to be available of Khadi manufacturers;

(d) if so, the details thereof and the time by which it is likely to be implemented; and

(e) its likely effect on the price and demand of Khadi?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

(b) Does not arise.

(c) to (e). The High Power Committee (HPC) in its report submitted in 1994 had made several recommendations including the replacement of rebate scheme for Khadi with the Market Development Assistance (MDA) scheme with an objective to improve marketing of Khadi products by allowing them the flexibility in utilisation of Government grant for purposes such as advertisement, consultancy services for new designs etc. in addition to allowing some rebate on sale of Khadi However, Government have not yet taken any decision on this recommendation of the HPC.